EXHIBIT B

CASHCALL, INC.
(A California Corporation)

FINANCIAL STATEMENTS

December 31, 2004

INDEX TO FINANCIAL STATEMENTS

INDEPENDENT AUDITORS' REPORT

To the Stockholder and Board of Directors
CashCall, Inc.

We have audited the accompanying balance sheet of CashCall, Inc. (the "Company"), a California corporation, as of December 31, 2004, and the related statements of operations and accumulated deficit, and cash flows for the year then ended. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of CashCall, Inc. as of December 31, 2004, and the results of its operations and its cash flows for the year then ended, in conformity with accounting principles generally accepted in the United States of America.

Newport Beach, California
February 25, 2005

CASHCALL, INC.
BALANCE SHEET
December 31, 2004

ASSETS

Current Assets	
Cash	$ 12,584,120
Unsecured loans receivable, net	74,962,202
Interest receivable	3,225,344
Prepaid expenses and other current assets	1,865,118
Total Current Assets	92,636,784
Property and Equipment, net	1,719,130
	$ 94,355,914

LIABILITIES AND STOCKHOLDER'S EQUITY

Current Liabilities	
Accounts payable and accrued liabilities	$ 820,576
Note payable	47,979,549
Note payable to stockholder	45,509,801
Total Current Liabilities	94,309,926
Commitments and Contingencies	
Stockholder's Equity	
Common stock, no par value, 10,000 shares authorized; 10,000 shares issued and outstanding	3,000,000
Additional paid-in capital	17,000,000
Accumulated deficit	(19,954,012)
Total Stockholder's Equity	45,988
	$ 94,355,914

The accompanying notes are an integral part of these financial statements.

CASHCALL, INC.
STATEMENT OF OPERATIONS AND ACCUMULATED DEFICIT
For the Year Ended December 31, 2004

REVENUES	
Interest income	$ 20,514,258
Other income	63,815
	20,578,073
EXPENSES	
Provision for loan losses	8,942,642
Advertising	4,690,663
Personnel	5,333,509
General and administrative	5,383,959
	24,350,773
NET LOSS	(3,772,700)
ACCUMULATED DEFICIT – beginning of year	(16,181,312)
ACCUMULATED DEFICIT – end of year	$ (19,954,012)

The accompanying notes are an integral part of these financial statements.

CASHCALL, INC.
STATEMENT OF CASH FLOWS
For the Year Ended December 31, 2004

CASH FLOWS FROM OPERATING ACTIVITIES		
Net loss	$	(3,772,700)
Adjustments to reconcile net loss to net cash provided by operating activities:		
Depreciation and amortization		464,639
Provision for loan losses		8,942,642
Changes in operating assets and liabilities:		
Interest receivable		(2,187,178)
Prepaid expenses and other current assets		(1,804,319)
Accounts payable and accrued liabilities		(816,623)
Net cash provided by activities		4,599,161
CASH FLOWS FROM INVESTING ACTIVITIES		
Loans receivable funded		(68,330,453)
Principal collections on loans receivable		18,928,444
Purchases of property and equipment		(615,238)
Net cash used in investing activities		(50,017,247)
CASH FLOWS FROM FINANCING ACTIVITIES		
Net repayments of short term note		(1,402,685)
Due to stockholder		13,885,516
Proceeds from note payable		47,864,549
Net cash provided by financing activities		60,347,380
NET INCREASE IN CASH		11,156,594
CASH – beginning of year		1,427,526
CASH – end of year	$	12,584,120

SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION AND

Cash paid during the year for interest	$	1,830,340

1. ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Organization

CashCall, Inc. (the "Company"), a California corporation, began its loan operations in July 2003. Previously, the Company was called Relantis, Inc. and operated in the real estate industry. The Company operates as a specialty finance company that engages in the business of marketing, directly originating, selling and servicing unsecured sub-prime consumer loans primarily in the State of California. The company has not yet engaged in loan selling or servicing activities. The Company is a national consumer lender, originating loans via telephone and the Internet primarily to customers responding to radio and television advertisements. The Company offers three loan programs to qualified borrowers. The Company's headquarters and main operations center are located in Irvine, California. At December 31, 2004, the Company was licensed to originate loans in fourteen states; however, virtually all of the Company's loans in 2004 were originated in the State of California. The Company is owned by one individual ("sole stockholder").

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the reporting period. The Company's significant estimate is the provision for losses on loans receivable. Actual amounts could materially differ from this estimate.

Concentrations

The Company currently maintains substantially all of its cash with two major financial institutions. At times, cash balances may be in excess of the amounts insured by the Federal Deposit Insurance Corporation.

As of December 31, 2004, the Company had obtained its financing from two sources: the sole stockholder and Capital Source Finance LLC. In August 2004, the Company secured a $40 million senior credit facility with Capital Source Finance LLC, which was subsequently increased to $80 million in November 2004. At December 31, 2004, the Company had used approximately $48 million of the credit facility.

CONFIDENTIAL

1. ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Unsecured Loans Receivable

Unsecured loans receivable that management has the intent and ability to hold for the foreseeable future or until maturity or payoff are reported at their outstanding unpaid principal balances, reduced by any chargeoff, valuation allowance and net of any deferred fees or costs on originated loans. All loans are unsecured.

Allowance for Loan Losses

The allowance for loan losses is established as losses are estimated to have occurred through a provision for loan losses charged to income. Loan losses are charged against the allowance when management believes the uncollectibility of a loan balance is confirmed. Subsequent recoveries, if any, are credited to the allowance. Generally, loans are charged off when they are 120 days past due.

The allowance for loan losses is evaluated on a regular basis by management and is based upon management's periodic review of the collectibility of the loans in light of historical experience, the nature and volume of the loan portfolio, adverse situations that may affect the borrower's ability to repay, and prevailing economic conditions. This evaluation is inherently subjective as it requires estimates that are susceptible to significant revisions as more information becomes available.

A loan is considered impaired when, based on current information and events, it is probable that the Company will be unable to collect the scheduled payments of principal or interest when due according to the contractual terms of the loan agreement. As previously noted, management generally charges a loan off when it becomes 120 days past due. Factors considered by management in determining impairment include payment status, and the probability of collecting scheduled principal and interest payments when due. Loans that experience insignificant payment delays and payment shortfalls generally are not classified as impaired. Management determines the significance of payment delays and payment shortfalls on a case-by-case basis, taking into consideration all of the circumstances surrounding the loan and the borrower, including the length of the delay, the reasons for the delay, the borrower's prior payment record and the amount of the shortfall in relation to the principal and interest owed.

1. ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Property and Equipment

Property and equipment are stated at cost. Major renewals and improvements are capitalized, while replacements, maintenance and repairs which do not significantly improve or extend the useful life of the asset are expensed when incurred. Depreciation of property and equipment is computed using the straight-line method over the estimated useful lives of the assets ranging from three to five years. Depreciation of leasehold improvements is computed using the straight-line method over the shorter of the estimated useful life or the remaining term of the related lease.

The Company accounts for costs incurred to develop computer software for internal use in accordance with Statement of Position (SOP) 98-1 *"Accounting for the Costs of Computer Software Developed or Obtained for Internal Use."* As required by SOP 98-1, the Company capitalizes the costs incurred during the application development stage, which include costs to design the software configuration and interfaces, coding, installation and testing. Costs incurred during the preliminary project along with post-implementation stages of internal use computer software are expensed as incurred. Capitalized development costs are amortized over various periods up to three years. Costs incurred to maintain existing products are expensed as incurred. The capitalization and ongoing assessment of recoverability of development costs requires considerable judgment by management with respect to certain external factors, including, but not limited to, technological and economic feasibility and estimated economic life. For the year ended December 31, 2004, the Company capitalized product development costs of approximately $386,000. As of December 31, 2004, net capitalized software costs approximated $308,000.

Long-Lived Assets

The Company reviews the carrying values of its long-lived assets for possible impairment whenever events or changes in circumstance indicate that the carrying amount of the assets may not be recoverable. If the cost basis of a long-lived asset is greater than the projected future undiscounted net cash flows from such asset, an impairment loss is recognized. Impairment losses are calculated as the difference between the cost basis of an asset and its estimated fair value. The Company has no intangible assets, as described in Statement of Financial Accounting Standards ("SFAS") No. 142, "*Goodwill and Other Intangible Assets.*" Any long-lived assets held for disposal are reported at the lower of their carrying amounts or estimated fair values less costs to sell. During the year ended December 31, 2004, no indicators of impairment were noted. As such, the Company's long-lived assets are stated at cost less accumulated depreciation and amortization.

1. ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Revenue Recognition

Interest income from loans receivable is recognized using the interest (actuarial) method. Accrual of interest income on loans receivable is suspended when a loan is contractually delinquent for 120 days or more and the loan and related accrued interest are charged off in full.

Income Taxes

The Company has elected to be taxed as an "S" Corporation for both federal and state income tax purposes. Accordingly, the Company has not provided for federal income taxes because the income tax liability is that of the sole stockholder. The California state tax treatment is substantially the same as the federal, except for a 1.5% tax imposed on net income.

Fair Value of Financial Instruments

SFAS No. 107, "*Disclosures About Fair Value of Financial Instruments*," requires disclosure of fair value information about financial instruments when it is practicable to estimate that value. The carrying amount of the Company's cash, loans and interest receivable, accounts payable and accrued liabilities and note payable approximates their estimated fair values due to the short-term maturities of those financial instruments. The fair values of amounts due to related party and due to stockholder are not determinable as these transactions are with related parties.

Advertising Costs

Advertising costs consist of expenditures for various media content advertising such as television and radio. The Company expenses advertising costs as incurred. These costs include the cost of production and airtime as well as commissions paid to advertising agencies. Total advertising costs were approximately $4,690,000 for the year ended December 31, 2004.

1. ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Risks and Uncertainties

In the ordinary course of business, companies in the consumer lending industry encounter certain economic and regulatory risks. Economic risks include credit risk and market risk. Credit risk is the risk of default, primarily in the Company's loan portfolio that results from borrowers' inability or unwillingness to make contractually required payments. Market risk includes the inability of borrowers to engage in commitments to originate loans. Regulatory risks include administrative enforcement actions and/or civil or criminal liability resulting from any alleged failure to comply with the laws and regulations applicable to the Company's business.

Loan Origination Fees and Costs

Loan origination fees and costs are deferred and amortized as an adjustment of the loan's yield over the life of the loan using the interest method. At December 31, 2004, net loan origination fees and costs were not significant.

2. UNSECURED LOANS, INTEREST RECEIVABLE AND ALLOWANCE FOR CREDIT LOSSES

The Company offers personal loans of $10,000, $5,075 and $2,600 that are not secured by personal property or any other collateral. The $10,000 and $5,075 loans are amortized over 120 months, and the $2,600 loan is amortized over 42 months. Borrowers are scheduled to make monthly payments of principal and interest. However, borrowers can repay their loan at any time without penalty. The annual percentage rate is the cost of the extended credit expressed as an annualized rate and varies from 34% to 39% on $10,000 loans, 47% to 59% on $5,075 loans and 79% on $2,600 loans.

2. UNSECURED LOANS AND INTEREST RECEIVABLE AND ALLOWANCE FOR CREDIT LOSSES (continued)

Unsecured loans receivable approximated the following at December 31, 2004:

Loans receivable	$ 82,615,449
Allowance for loan losses	(7,653,247)
	74,962,202
Accrued interest	3,225,344
Loans and interest receivable, net	$ 78,187,546

Impairment of loans with a December 31, 2004 carrying value of approximately $7,918,000 has been recognized in conformity with SFAS No. 114, as amended by FASB Statement No. 118, "*Accounting by Creditors for Impairment of a Loan – Income Recognition and Disclosures (an amendment of FASB Statement No. 114)*". The total provision for credit losses related to these loans was approximately $8,940,000 for 2004. The related amount of interest income recognized prior to the impairment of these loans approximated $834,000. There was no interest income recognized on a cash-basis method of accounting during the time period that these loans were impaired during 2004. Recoveries from impaired loans are recognized as additional funding of the loan loss reserve. The total recoveries from such impaired loans for 2004 were $175,000.

At December 31, 2004, contractual maturities of consumer unsecured loans receivable approximated:

2005	$ 1,214,893
2006	1,755,086
2007	2,561,785
2008	3,783,602
2009	5,664,959
Thereafter	67,635,124
	$ 82,615,449

Based on current period activity, the Company estimates that a substantial portion of the loan portfolio generally will be repaid before contractual maturity dates. The above tabulation, therefore, is not to be regarded as a forecast of future cash collections. During the year ended December 31, 2004, cash collections of principal amounts of loans receivable approximated $19,000,000.

CONFIDENTIAL

CASHCALL, INC.
NOTES TO FINANCIAL STATEMENTS
December 31, 2004

3. PROPERTY AND EQUIPMENT

Property and equipment approximated the following at December 31, 2004:

Computer equipment and software	$ 1,730,303
Automobiles	15,742
Machinery and equipment	127,844
Furniture and fixtures	508,237
Leasehold improvements	12,229
	2,394,355
Accumulated depreciation and amortization	(675,225)
	$ 1,719,130

4. NOTES PAYABLE

Note Payable

During 2004, the Company obtained a senior credit facility (the "facility") with a lender in the maximum amount of $80,000,000 to fund loans. The facility matures on August 31, 2007 and bears annual interest at London Inter-bank Offered Rate ("LIBOR") (2.65% at December 31, 2004) plus 6.50%. For funding in 2005, such rate is LIBOR plus 6.25%. In no event, however, will the overall rate be less than 8.50%. The facility is secured by all assets of the Company and personally guaranteed by the sole stockholder. The balance outstanding at December 31, 2004 was $47,979,549.

Note Payable to Sole Stockholder

During the year ended December 31, 2004, the Company borrowed approximately $13,885,516 for working capital purposes from the sole stockholder and repaid approximately $1,002,798 of interest. Total due to the sole stockholder was $45,509,801 at December 31, 2004. These borrowings call for a fixed interest of 2% and are due on demand.

5. COMMITMENTS AND CONTINGENCIES

Operating Leases

The Company leases its office facilities under a non-cancelable operating lease expiring in June 2005. Future minimum rental payments required under the operating lease approximate $92,000. In addition, the Company leases additional office facilities under a month-to-month agreement available to June 2005. Rent expense approximated $413,000 for the year ended December 31, 2004.

5. COMMITMENTS AND CONTINGENCIES (continued)

Legal

At times, the Company is subject to various claims and actions, which arise in the ordinary course of business. Management, having consulted with its legal counsel, believes the ultimate resolution of any such claims and actions, both individually and in the aggregate, will not have a material adverse effect upon the Company's financial position or the results of its operations.

CONFIDENTIAL